

Message Text

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TO AMEMBASSY MOSCOW

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E.O. 11652:GDS

TAGS: EEWT, UR, US

SUBJECT: TIMING OF COMMISSION AND COUNCIL MEETINGS;

1. SOVIET TRADE REPRESENTATIVE MKRTUMOV CALLED ON UNDER SECRETARY OF THE TREASURY SOLOMON MAY 16 TO DISCUSS THE TIMING OF MEETINGS OF THE JOINT COMMERCIAL COMMISSION AND THE TRADE AND ECONOMIC COUNCIL. MKRTUMOV TOLD SOLOMON THAT THE SOVIETS HAD BEEN TOLD THAT SECRETARIES BLUMENTHAL AND KREPS, AND CHAIRMAN VERITY, PREFERRED THE EXPERTS WORKING GROUP TO BE HELD ON NOVEMBER 30-DECEMBER 1, THE COMMISSION MEETING TO BE HELD ON DECEMBER 4-5, AND THE COUNCIL MEETING TO BE HELD ON DECEMBER 6-7. MKRTUMOV INFORMED SOLOMON THAT ALL OF THESE DATES WERE AGREEABLE TO THE SOVIET SIDE. UNDER SECRETARY SOLOMON CONFIRMD THAT HE WOULD CHAIR THE MEETING OF THE EXPERTS WORKING GROUP. MKRTUMOV SAID THAT THE SOVIET SIDE WOULD PROPOSE AN AGENDA FOR THE EXPERTS WORKING GROUP AND THE COMMISSION
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 129292

MEETINGS AT A LATER DATE.

2. WITH REGARD TO THE AMENDMENT TO THE EXIMBANK BILL RECENTLY PROPOSED BY SENATOR STEVENSON (TEXT BEING POUCHED) MKRTUMOV INDICATED THAT THE SOVIETS WERE DISTRESSED THAT THE AMENDMENT SINGLED OUT THE USSR AS THE ONLY EXCEPTION.

UNDER SECRETARY SOLOMON TOLD MKRTUMOV THAT THE ADMINISTRATION IS NOT IN FAVOR OF THE AMENDMENT. HE SAID THAT THE ADMINISTRATION NOT ONLY OBJECTS TO THE SINGLING OUT OF THE USSR, BUT IS CONCERNED ABOUT THE IMPACT THAT THE AMENDMENT MIGHT HAVE ON OTHER COUNTRIES.

3. UNDER SECRETARY SOLOMON TOLD MKRTUMOV THAT THE ADMINISTRATION IS CONCERNED THAT BECAUSE THE PRESIDENT WOULD HAVE TO PREPARE A LIST OF COUNTRIES ELIGIBLE FOR EXIMBANK FINANCING BASED ON FOREIGN POLICY GROUNDS SOME PRESENTLY-ELIGIBLE COUNTRIES MIGHT HAVE TO BE EXCLUDED FOR THE LIST TO BE ACCEPTED BY THE CONGRESS.

4. SOLOMON POINTED OUT THAT SENATOR STEVENSON HAD INTRODUCED THE AMENDMENT TO BE HELPFUL. THE SENATOR BELIEVES THAT THE PROCEDURE ESTABLISHED IN THE AMENDMENT WILL BE LESS RESTRICTIVE ON EXIMBANK LENDING THAN THE PRESENT ACT. IN THE ORIGINAL PROPOSAL, SOLOMON NOTED, THE SENATOR DID NOT EXCLUDE THE USSR, BUT WAS FORCED TO ADD THAT PROVISION TO AVOID SENATOR JACKSON'S OPPOSITION TO THE AMENDMENT. SOLOMON NOTED, HOWEVER, THAT IN THE CURRENT CLIMATE, IT IS DOUBTFUL THAT THE CONGRESS WOULD HAVE ACCEPTED A LIST OF ELIGIBLE COUNTRIES WHICH INCLUDED THE USSR.

5. IT WAS CLEAR FROM THE CONVERSATION THAT MKRTUMOV HAD
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 129292

NOT UNDERSTOOD THAT THE AMENDMENT WOULD APPLY TO ALL COUNTRIES, RATHER THAN COMMUNIST COUNTRIES ONLY. IN ADDITION, UNTIL MR. SOLOMON EXPLAINED THAT THE PRESIDENTIAL LIST COULD BE VOTED DOWN BY CONGRESS, MKRTUMOV THOUGHT THE AMENDMENT GAVE THE PRESIDENT FULL AUTHORITY TO GRANT EXIMBANK CREDITS TO THE COMMUNIST COUNTRIES.

6. FOLLOWING THE MEETING WITH UNDER SECRETARY SOLOMON, MKRTUMOV COMMENTED TO MARJORY SEARING IN THE CORRIDOR THAT HE DID NOT UNDERSTAND SENATOR STEVENSON. MKRTUMOV STATED THAT DURING STEVENSON'S VISIT TO THE USSR HE HAD TOLD THE SOVIETS THAT HE DID NOT WANT TO SINGLE THE USSR OUT FOR EXIMBANK RESTRICTIONS AND HOPED TO BE ABLE TO EASE THE RESTRICTIONS IMPOSED IN THE PAST. MKRTUMOV ENDED BY SAYING THAT INSTEAD THE SENATOR HAS CONTINUED TO SINGLE OUT THE USSR FOR DISCRIMINATORY TREATMENT. VANCE

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